

Appendix A.

**STURGEON AND KING MOUNTAIN  
CONSERVATION EASEMENT  
and  
DOUGLAS CR. WMA FEE TITLE ACQUISITION  
SOCIO-ECONOMIC ASSESSMENT**

MONTANA FISH, WILDLIFE & PARKS

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## I. INTRODUCTION

House Bill 526, passed by the 1987 Legislature (MCA 87-1-241 and MCA 87-1-242), authorizes Montana Fish, Wildlife & Parks (MFWP) to acquire an interest in land for the purpose of protecting and improving wildlife habitat. These acquisitions can be through fee title, conservation easements, or leasing. In 1989, the Montana legislature passed House Bill 720 requiring that a socioeconomic assessment be completed when wildlife habitat is acquired using Habitat Montana monies. These assessments evaluate the significant social and economic impacts of the purchase on local governments, employment, schools, and impacts on local businesses.

Although it is probable that no Habitat Montana monies will be used by MFWP to acquire interest in either the Conservation Easement or Fee Title acquisition portions of this proposed project, MFWP has prepared this Socio-Economic Assessment consistent with Habitat Montana-funded projects.

This socioeconomic evaluation addresses the fee title acquisition of the proposed Douglas Cr. WMA property and the acquisition of a conservation easement on the Sturgeon and King Mtn. properties. All subject lands are currently owned by The Nature Conservancy. This report addresses the physical and institutional setting as well as the social and economic impacts associated with the proposed fee title acquisition and conservation easement.

## II. PHYSICAL AND INSTITUTIONAL SETTING

### A. Property Description

The proposed Sturgeon and King Mtn. Conservation Easement would encumber 1,957 acres of land in two distinct parcels approximately 4 miles north of Drummond, MT. The proposed Douglas Creek WMA fee title acquisition consists of up to 3,594 contiguous acres at the headwaters of Douglas and Black Bear Creeks approximately 6 miles north of Drummond, MT. A detailed description of these properties is included in the environmental assessment (EA).

### B. Habitat and Wildlife Populations

These parcels are mainly vegetated with Douglas fir, ponderosa pine, lodgepole pine, and quaking aspen and their associated understory vegetation. The properties and the

adjacent lands are important year-round elk habitat and support large numbers of mule deer. Moose, white-tailed deer, black bear, grizzly bear, wolves, bobcat, mountain lions and many other species are present used the properties' forested habitat year-round.

### C. Current Use

The land was managed as industrial timberland and, to a lesser extent for livestock grazing, for decades prior to its sale to The Nature Conservancy (TNC) in 2004. No commercial activity has occurred on the Land since that time. The Land has historically been open to public hunting and is heavily used for that purpose each year. TNC has kept the land open to the public since they acquired it.

### D. Management Alternatives

1. Purchase the Douglas Creek WMA fee title and the Sturgeon and King Mountain Conservation Easement.
2. No purchase

### **MFWP Fee Title Purchase**

The intent of the Douglas Creek WMA land purchase is to

- Protect and enhance a large and important contiguous block of montane forested wildlife habitat;
- Contribute to the overall function, integrity, and management of adjacent private, DNRC, Nature Conservancy, and Bureau of Land Management lands surrounding the property;
- maintain and improve public recreational access to the headwaters of Douglas and Black Bear Creeks and adjacent public lands;
- and maintain the Land as working forest and range.

### **MFWP Conservation Easement Purchase**

The intent of the Sturgeon and King Mountain Conservation Easement is similar to the Douglas Creek WMA land purchase (see above). In addition, on the CE parcels, the Conservation Values will be protected at less cost to MFWP while eventually allowing private landowners to acquire and manage them consistent with their adjacent lands.

## **No Purchase Alternative**

The no purchase alternative requires some assumptions since use and management of the property will vary depending on what future owners would decide to do with the property. There is potential for subdivision of this land that would impact the habitat and access opportunities for the public.

## **III. SOCIAL AND ECONOMIC IMPACTS**

Section II identified the management alternatives this report addresses. The fee title purchase and Conservation Easement will provide long-term protection of important wildlife habitat and consistent management of this land. Section III quantifies the social and economic consequences of the two management alternatives following two basic accounting stances: financial and local area impacts.

Financial impacts address the cost of the fee title transfer and conservation easement purchase to MFWP and discuss the impacts on tax revenues to local government agencies including school districts.

Expenditure data associated with the use of the property provides information for analyzing the impacts these expenditures may have on local businesses (i.e., income and employment).

### **A. Financial Impacts**

Montana Fish, Wildlife & Parks (MFWP) applied for and received a grant of \$2,900,000 from the USDS Forest Service Forest Legacy Program in 2010 to fund MFWP acquisition of interest in TNC land in the Murray, Douglas, and Black Bear Cr. area. A portion of this grant award, combined with TNC's donation of 25% of the Land's 2011 appraised value will entirely fund these proposed acquisitions. As a result it is not anticipated that MFWP funds will be used in this transaction. However, in the event of any unforeseen financial circumstance (for example, a reduction of the federal grant) MFWP would retain the discretion to use some of its capital funds to complete the transaction.

MFWP will pay TNC approximately \$600,000 (75% of the Conservation Easement's appraised value) of the 2010 Forest Legacy Program grant to purchase a conservation easement on 1,957 acres. TNC will donate 25% of the Easement's 2011 appraised value.

The financial impacts to local governments are the potential changes in tax revenues resulting from the fee title purchase and the conservation easement. The sale of this land and subsequent title transfer to MFWP will not change the tax revenues that Powell County currently collects on this property. MFWP is required by Montana Code 87-1-603 to pay “to the county a sum equal to the amount of taxes which would be payable on county assessment of the property were it taxable to a private citizen.”

The sale of conservation easements on the land to FWP also will not change the tax revenues that Powell County currently collects on the subject property. The property under conservation easement will remain in private ownership, and will be taxed at the same rate as at present.

## **B. Economic Impacts**

There will not be any significant negative financial impacts to local businesses associated with the fee title purchase of this land and subsequent ownership by Montana Fish, Wildlife & Parks, nor with the purchase of a conservation easement by MFWP. The lands have not been subject to commercial timber harvest or grazing since TNC’s acquisition of them in 2004. The potential for these activities to resume in the future is explicitly protected by this proposal. Public recreation, particularly fall hunting, is an important local economic driver; these opportunities are expected to be maintained and enhanced by this proposal.

## **FINDINGS AND CONCLUSIONS**

The fee title purchase and title transfer to Montana Fish, Wildlife & Parks, and the purchase by FWP of a conservation easement, will provide long term protection for wildlife habitat, maintain the open space integrity of the land, enhance public recreation, and ensure the continued opportunity to actively manage timber and grazing on the subject lands.

These actions will not cause a reduction in tax revenues on these properties from their current levels to Powell County under Montana Code 87-1-603. Overall financial impacts to local business will be minimal but positive in the long-term as active management of the Land resumes. Recreational opportunities will be enhanced which may result in small yet positive impacts for local businesses that provide services to recreationists.